PennWest

Corporate Presentation
May 2017

Important Notices to the Readers

PennWest

This presentation should be read in conjunction with the Company's audited consolidated financial statements, management's discussion and analysis ("MD&A") for the three months ended March 31, 2017. All dollar amounts contained in this presentation are expressed in millions of Canadian dollars unless otherwise indicated.

Certain financial measures included in this presentation do not have a standardized meaning prescribed by International Financial Reporting Standards (“IFRS”) and therefore are considered non-generally accepted accounting practice ("non-GAAP") measures; accordingly, they may not be comparable to similar measures provided by other issuers. This presentation also contains oil and gas disclosures, various industry terms, and forward-looking statements, including various assumptions on which such forward-looking statements are based and related risk factors. Please see the Company's disclosures located in the Appendix at the end of this presentation for further details regarding these matters.

Penn West Corporate Profile

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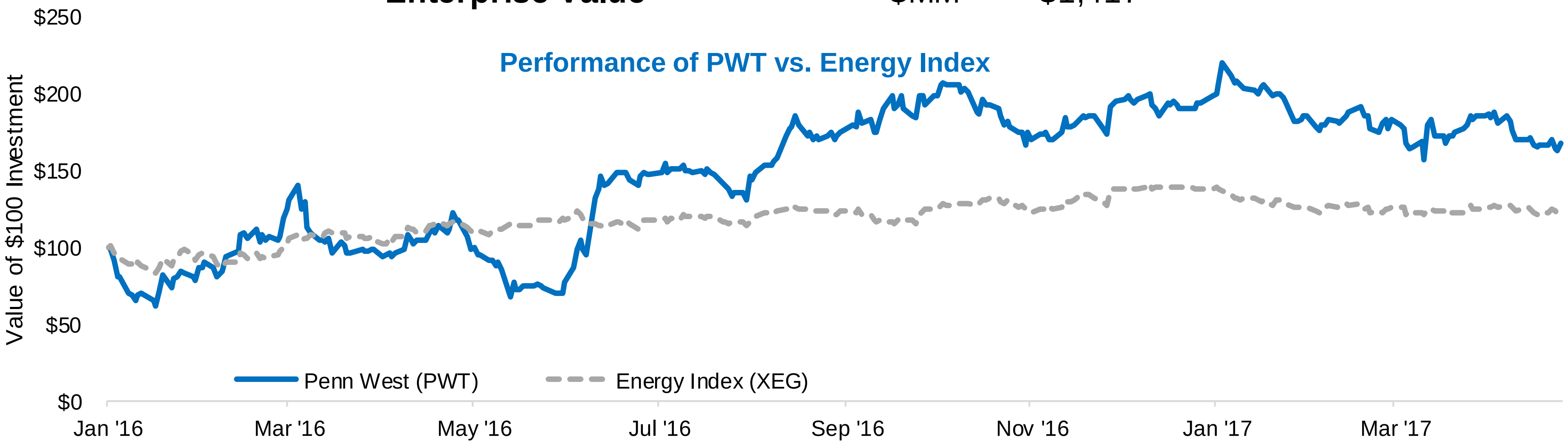
TSX: PWT NYSE: PWE

Share Price **Apr 30, 2017*	$/share	$2.05
PWT Daily Volume (shares)	MM	2.0
% of Shares Outstanding		*0.4%*
PWE Daily Volume (shares)	MM	1.6
% of Shares Outstanding		*0.3%*
Market Capitalization	$MM	$1,033
Long Term Debt	$MM	$384
Enterprise Value	$MM	$1,417



See "Endnotes"

Q1 2017 Symbolizes Fresh Start Financially

PennWest

Strong Quarterly Performance

- Quarter-over-quarter production growth in key development areas
- Funds Flow from Operations of $57 million ($0.11 per share) reflecting stronger sales prices and lower corporate costs
- Quarterly profit of $27 million ($0.05 per share)

Operations Setting Up for Growth

- Q1 in Cardium focused on injection support for offsetting wells to produce optimal response; H2 to focus on integrated waterflood development
- Remain on track for active H2 development program in Peace River, Alberta Viking, and Upper Mannville

Dispositions Finished; Targeting Selective Consolidation

- Reduced long-term debt by 80% since year-end 2015 to $384 million
- Purchased offsetting acreage in Peace River that increases inventory by at least 40 near-term locations for $11 million

Why Invest in Penn West?

Balanced Portfolio

Liquids-weighted assets with a mix of short-cycle and mid-cycle opportunities

Organic Production Growth

Self-funded double digit production growth with a low-decline advantage

Solid Balance Sheet

Successful 2016 deleveraging;
Debt to FFO < 2.0x

Leading Costs and Cash Flow Generation

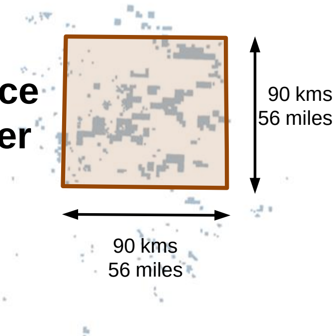
Competitive operating and capital efficiencies to generate Free Cash Flow

Balanced Portfolio

Liquids-Focused Growth Company

2017 plan for self-funded double-digit production growth

2017 hedged ~50% of oil at ~US$51 WTI and ~30% of gas at ~C$2.90 AECO

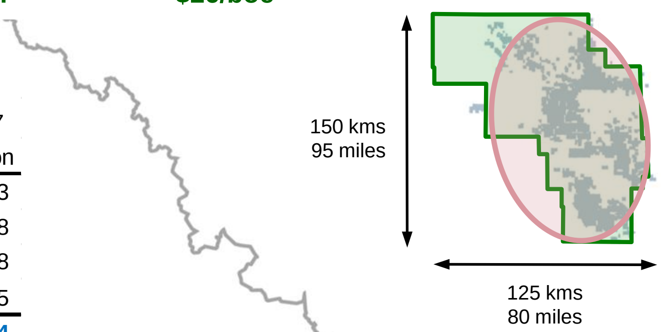


Manufacture Cold Flow in Peace River

Net Sections: 275
Production: 4,648 boe/d
Netback*: ~$27/boe
*Net of carried operating costs

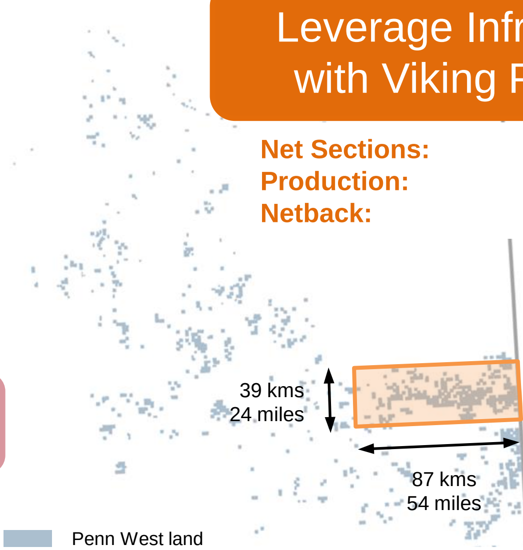
Build Cardium Waterflood Platform

Net Sections: 400
Production: 18,603 boe/d
Netback: ~$26/boe



Leverage Infrastructure with Viking Prospects

Net Sections: 170
Production: 2,638 boe/d
Netback: ~$27/boe



	Q1 2017 Production
Cardium	18,603
Peace River	4,648
Alberta Viking	2,638
Legacy	4,445
Key Areas	**30,334**
Sold & Held for Sale	4,566
Total Penn West	34,900

Pursue New Ventures

~700 Net Sections in Secondary Horizons

Penn West land

See “Endnotes”

Balanced Portfolio

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2017 Corporate Themes

Activity Details	Theme	Budget ($MM)
55 — *Injectors* 45, *Producers* 10	Build Cardium Waterflood Platform	$97
31 — *Strat* 7, *Producers* 24	Manufacture Cold Flow in Peace River	$8
15 — *Non-Op* 4, *Operated* 11	Leverage Infrastructure with Viking Prospects	$15 — Additional 4 operated wells added to H2 program
7 — *Non-Op* 4, *Operated* 3	Pursue New Ventures	$15
Production reliability: ongoing maintenance, repairs, and optimization	Base	$25
Decommissioning, abandonment, and environmental stewardship	Decommissioning	$20

TOTAL

45 Operated Injectors | **8** Non-Operated Producers | **47** Operated Producers

$180 MM Budget Spend

Balanced Portfolio

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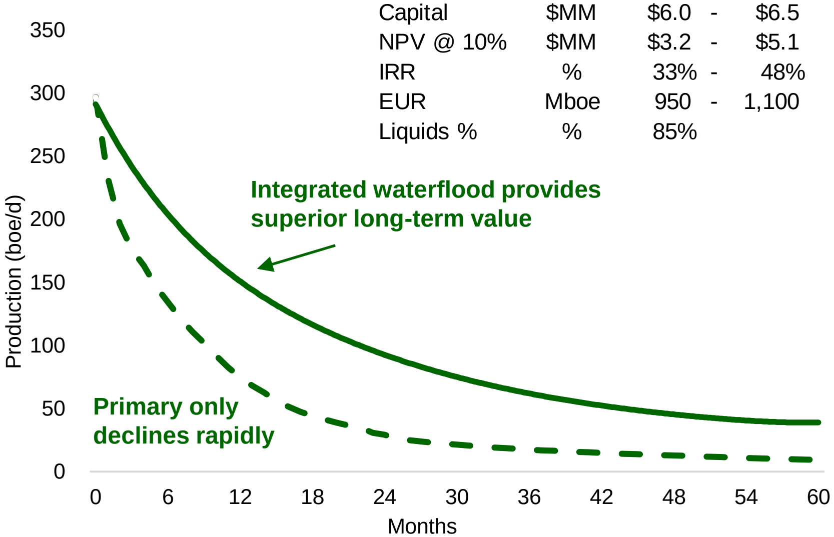
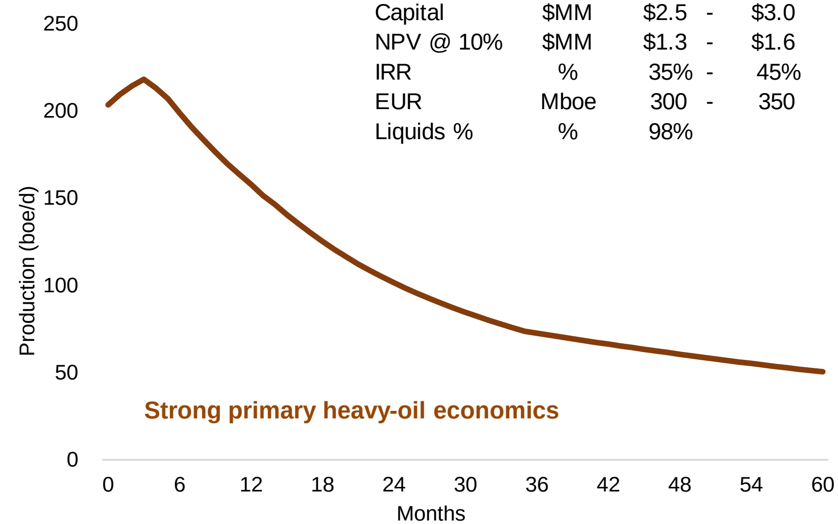
Illustrative Key Area Economics

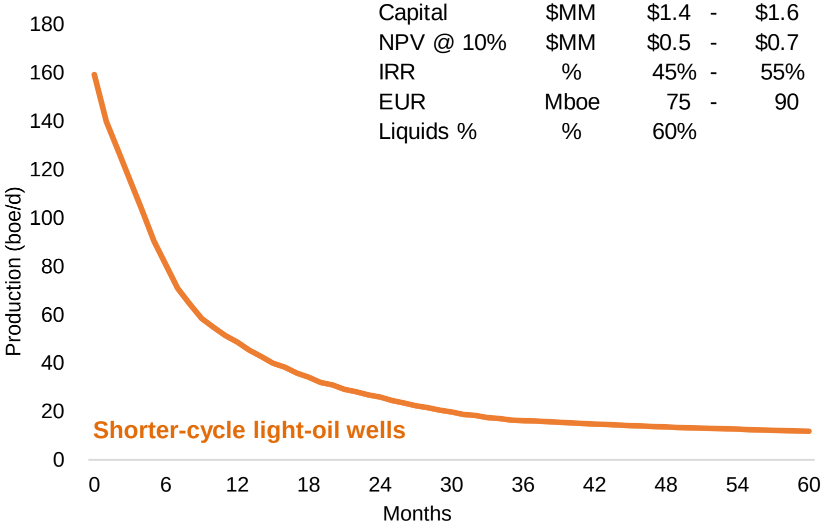
Cardium (W.G.) Illustrative Pattern				
Capital	$MM	$6.0	-	$6.5
NPV @ 10%	$MM	$3.2	-	$5.1
IRR	%	33%	-	48%
EUR	Mboe	950	-	1,100
Liquids %	%	85%		



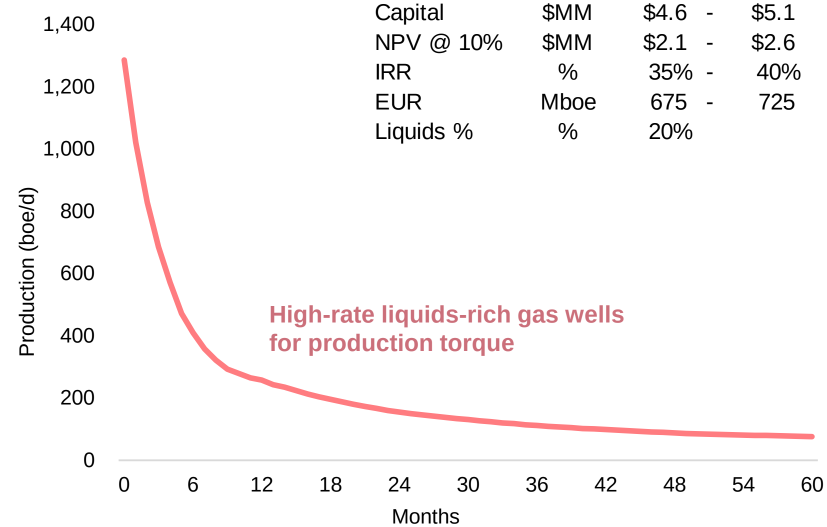
Peace River Illustrative Well				
Capital	$MM	$2.5	-	$3.0
NPV @ 10%	$MM	$1.3	-	$1.6
IRR	%	35%	-	45%
EUR	Mboe	300	-	350
Liquids %	%	98%		



Alberta Viking Illustrative Well				
Capital	$MM	$1.4	-	$1.6
NPV @ 10%	$MM	$0.5	-	$0.7
IRR	%	45%	-	55%
EUR	Mboe	75	-	90
Liquids %	%	60%		



Mannville Illustrative Well				
Capital	$MM	$4.6	-	$5.1
NPV @ 10%	$MM	$2.1	-	$2.6
IRR	%	35%	-	40%
EUR	Mboe	675	-	725
Liquids %	%	20%		

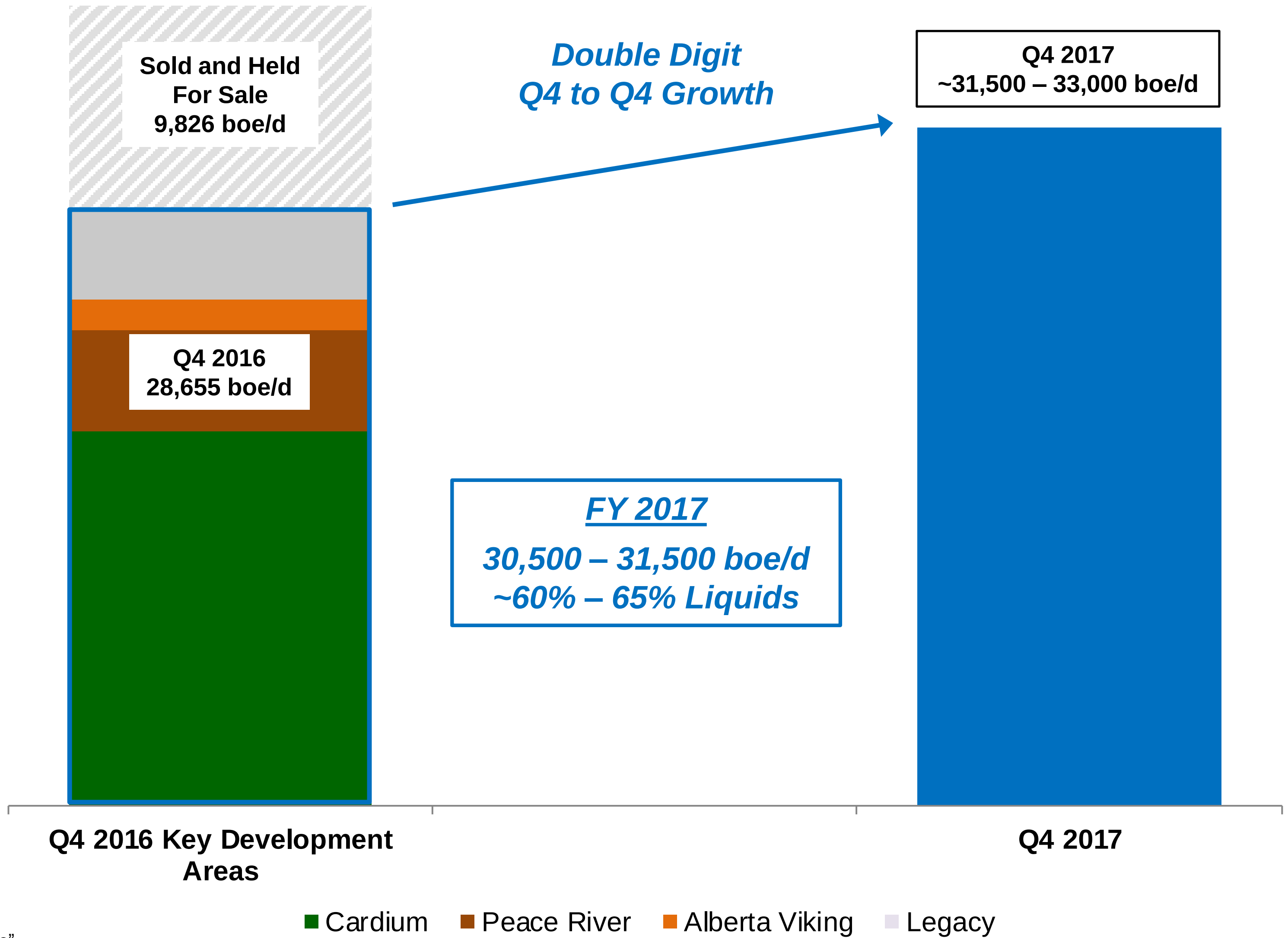


See “Endnotes”; based on 2017 WTI of US$53/bbl and AECO of C$2.73/Mcf

Organic Production Growth

Double Digit Growth Plan

Self funded growth at industry leading cost structure



See "Endnotes"

Organic Production Growth

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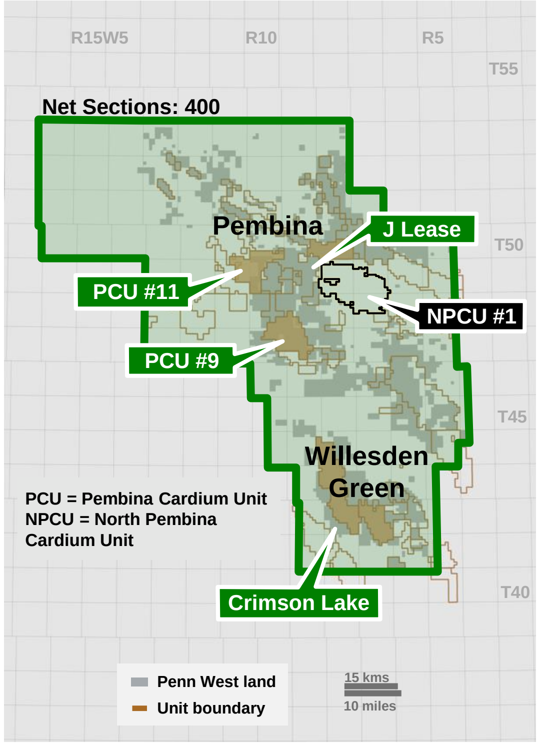
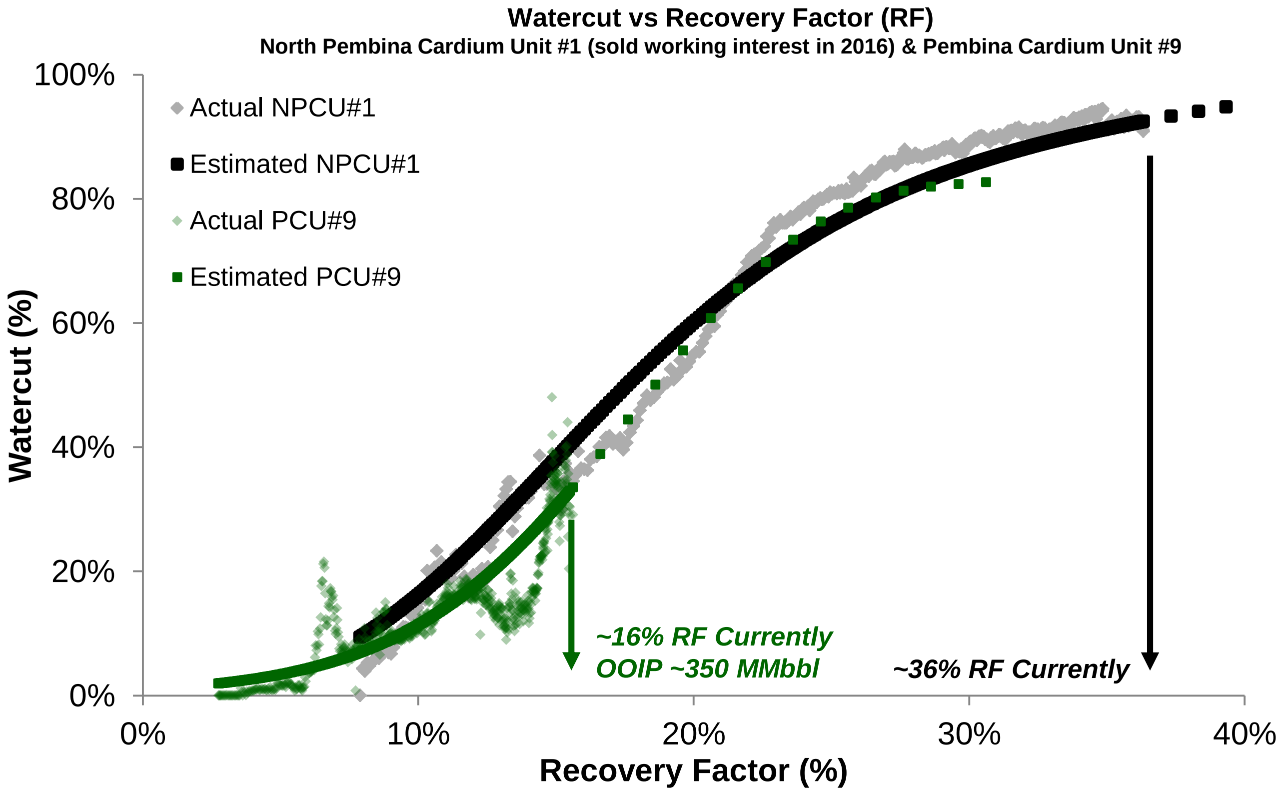
Cardium Area – Building a Waterflood Platform

- Size of the prize is based on 2.5 – 3.0 billion barrels of Original Oil in Place in our Cardium acreage
  - Potential recovery factors of ~35% based on production history of legacy fields bordering our acreage
  - Incremental 10% - 20% recovery possible, depending on each area
- Integrated waterflood development is expected to maximize total value by decreasing declines and increasing volumes recovered





See "Endnotes"

>10 Fields with similar potential to this illustrative Pembina Cardium Unit #9 Case

Organic Production Growth

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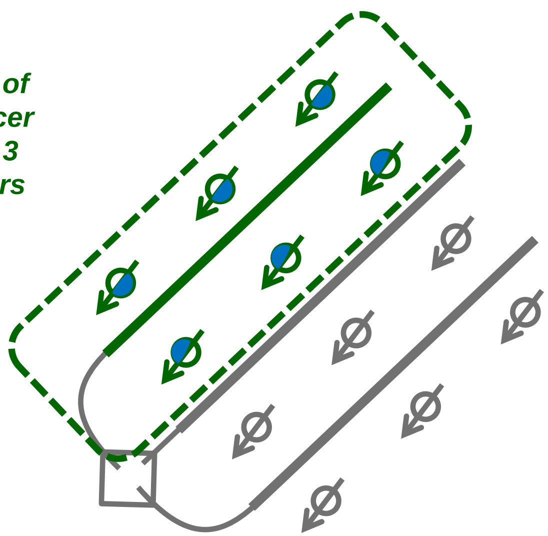
Cardium Waterflood Program

- Q1 2017 Program drilled 15 vertical injectors to re-pressurize existing high performance wells
- H2 2017 Program focused on integrated development, with each horizontal producing well supported by 3 vertical injectors
  - Simultaneous water injection maintains higher reservoir pressure from day 1 of production
  - Results in lower initial production declines and significantly higher recovery rates
  - Less capital required to maintain and grow production

Integrated approach providing water injection support at the time of drill

A pattern is made up of one horizontal producer that is supported by 3 vertical water injectors



Integrated development yields superior economics to primary only

Cardium (W.G.) Illustrative Pattern				
Capital	$MM	$6.0	-	$6.5
NPV @ 10%	$MM	$3.2	-	$5.1
IRR	%	33%	-	48%
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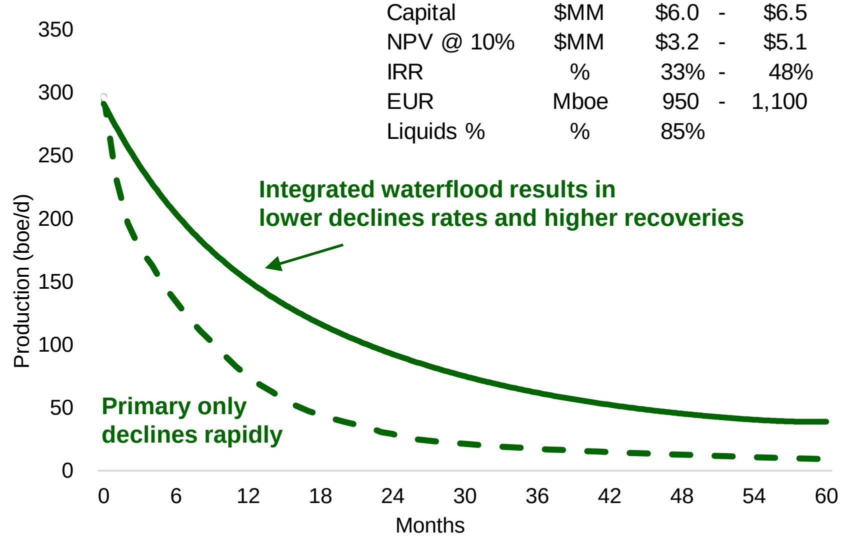

See “Endnotes”

Organic Production Growth

Manufacture Peace River Cold Flow

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Key Metrics

		Primary Development		
Base DCET	$MM	$2.5	-	$3.0
IP 30	boe/d	200	-	250
1st Year Decline	%	30	-	50
NPV @10%	$MM	$1.3	-	$1.6
IRR	%	35	-	45
EUR	Mbbl	300	-	350
F&D	$/boe	$7.25	-	$10.00

Economics shown prior to the benefit of carried capital and opex

See "Endnotes"

- World class "cold flow" heavy oil play
  - Recent $11 million tuck-in acquisition increased inventory by ~40 locations
- Simultaneous operations has meaningfully improved economics and production rates
- JV partner funds 90% of capital and operating expenses; PWT operated 55% working interest
  - Carried capital expected to finish by year-end
  - Future development past carry period driven by PWT with indications of full partner support
- Attractive economics "post carry" resulting from high production rates and cost improvements
  - Competitive primary cold flow high-rate wells
  - Breakeven costs at US$35-$40 WTI

Organic Production Growth

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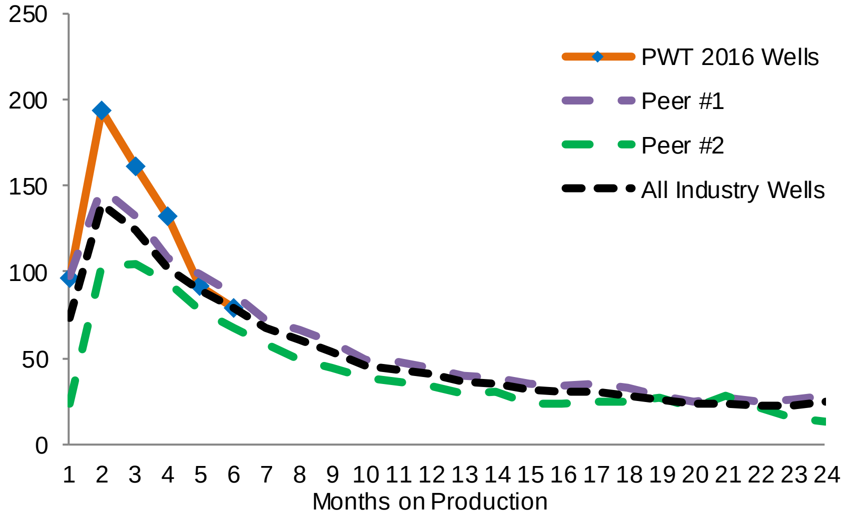
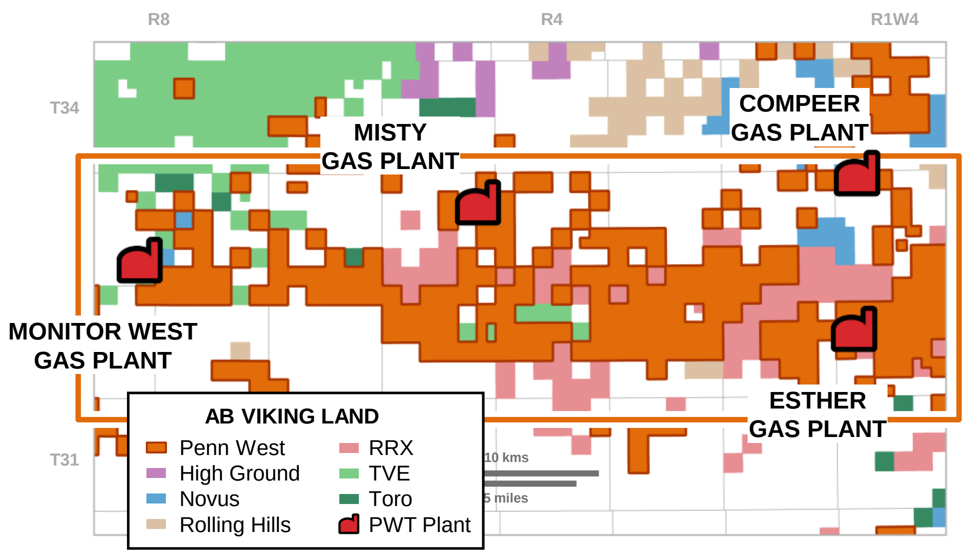
Leverage Infrastructure with Viking Prospects

AB Viking Industry Horizontal Wells
1-mile Equivalent (boe/d)



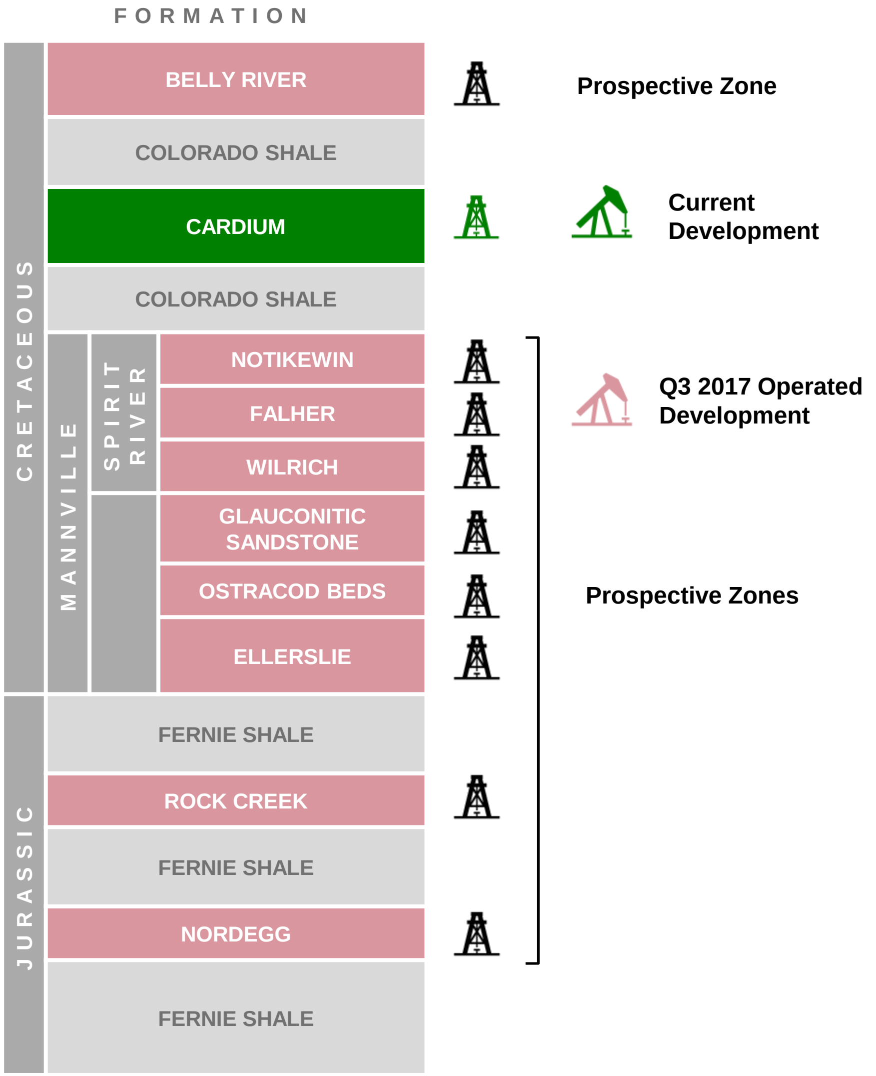


- Low risk, profitable acreage leveraging top tier infrastructure
  - Shorter term payout to balance longer term nature of Cardium waterfloods
  - PWT infrastructure advantage operated gas plants with >15 Mmcff/d capacity
- 2016 wells performance significantly ahead of peer results
  - Leveraging Viking knowledge to improve approach to completions process
  - Completions improvements resulting in significantly higher initial rates
  - Q4 2016 wells are best in class results for the area
- Plan to drill 11 operated wells in H2 2017
  - Additional 4 wells vs. budget due to positive results year-to-date

See "Endnotes"

Organic Production Growth

Pursue New Ventures



Prospective Zones

- Large acreage of secondary rights in the Belly River, Mannville, and deeper zones
- High-impact liquids-weighted production potential
- Acreage largely held by production with few expiry issues

Development Program

- Q3 2017 operated program to drill 3 wells targeting the Upper Mannville in Willesden Green
- Planning to test further zones with non-operated and 2018 development program

Solid Balance Sheet

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2016 Year-end Reserves Highlights

Foothold Cardium Waterflood Reserves

- Reserves book started to recognize the success of new Cardium waterflood development with 2.1 mmboe of probable undeveloped waterflood additions

Accretive Dispositions

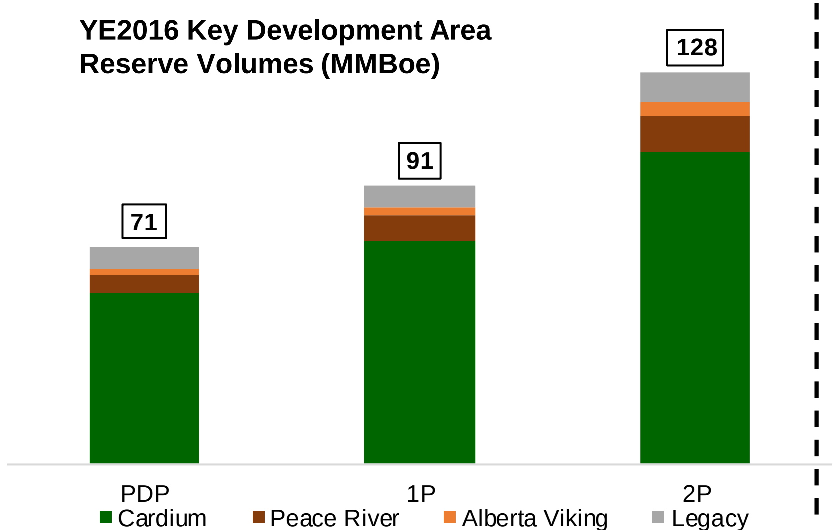
- 2016 dispositions for cash proceeds of $1.4 billion exceeded the 1P before-tax present value, discounted at 10 percent, of $1.2 billion

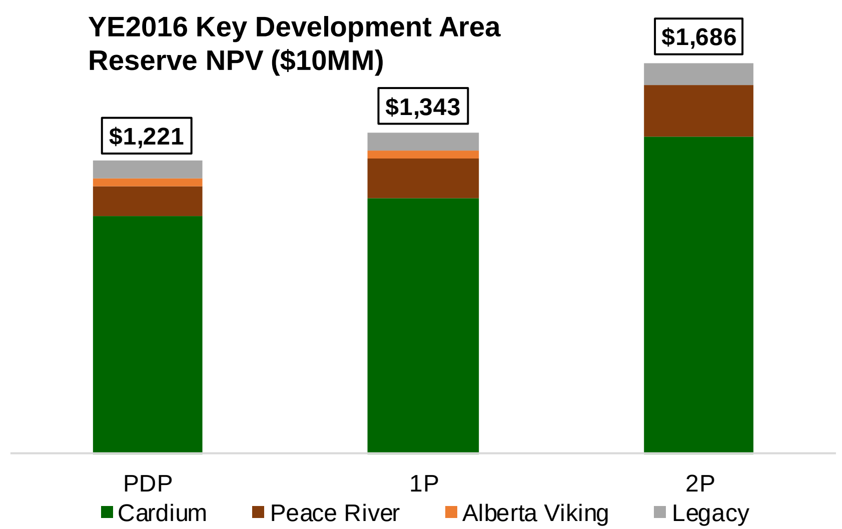
Realigned Peace River for Cold Flow

- Realigned reserve book to cold flow to align with near-term development plans
- Thermal bookings contributed only $20 million in 2P present value, with associated future development capital of $389 million

Recognizing Efficiencies and Potential

- Positive technical revisions due to lower operating costs and improved performance offset economic revisions due to lower commodity prices
- 2016 operated development cost of $5.86 per boe reflects the capital efficiency of portfolio





See “Endnotes”

Solid Balance Sheet

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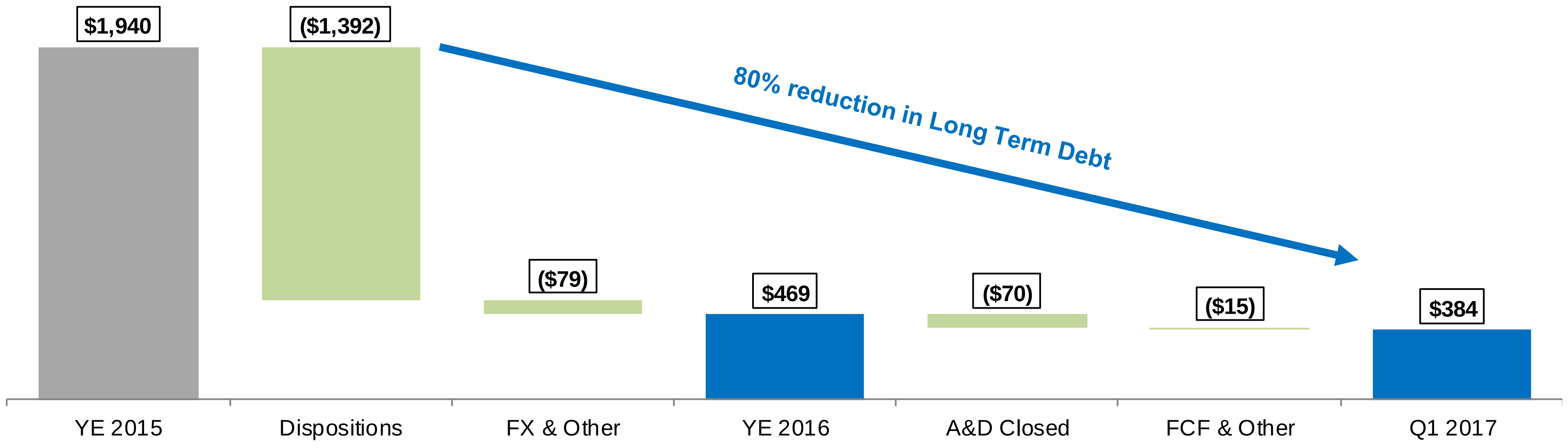
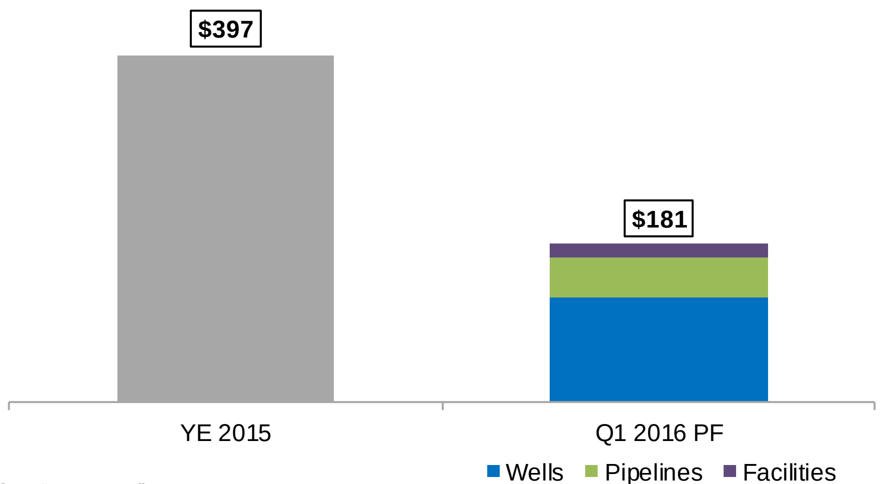
Major 2016 Restructuring Now Complete

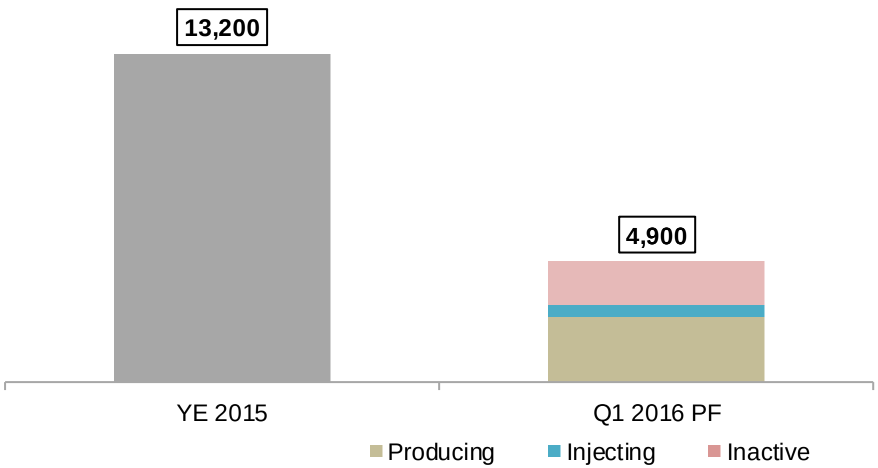
Long Term Debt Reduction since YE 2015 ($MM)



Discounted Asset Retirement Obligations ($MM)



Well Count (#)



See "Endnotes"

Leading Cost Structure and Cash Generation

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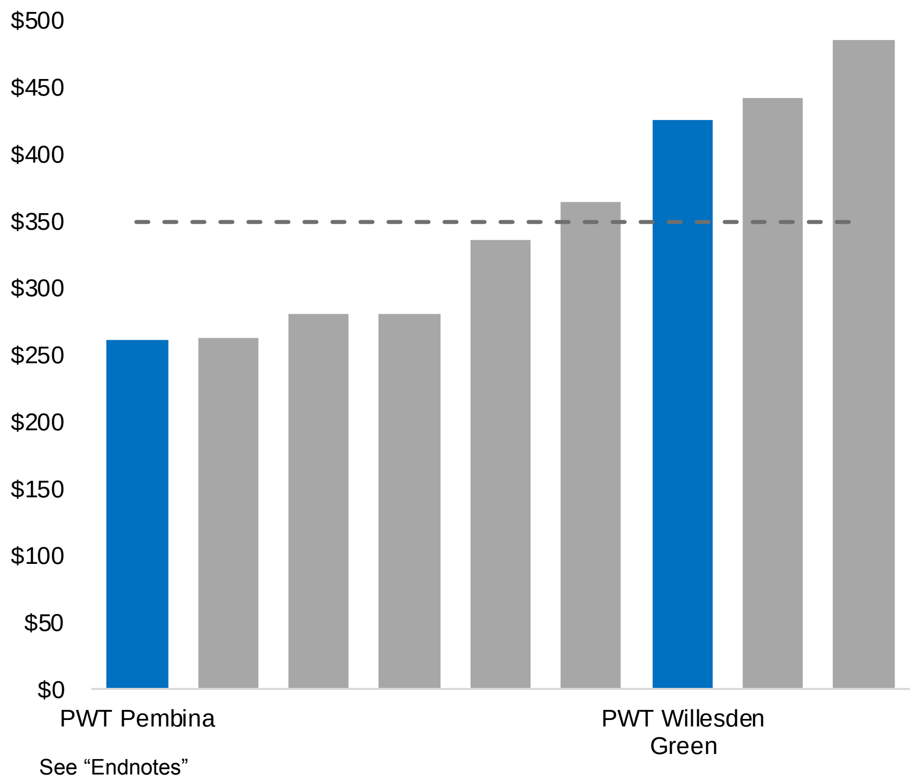
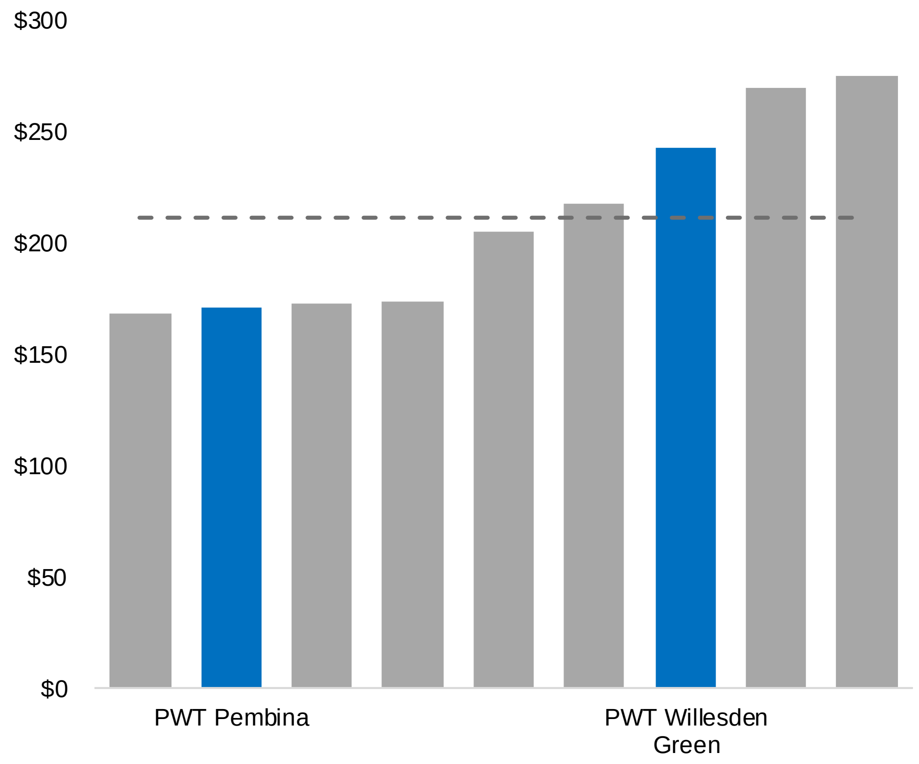
Strong Cardium Capital Efficiencies

- Cost savings over the past year realized primarily through process improvements
  - Pembina wells drilled monobore; costs are best in class
  - Willesden Green wells require more expensive intermediate casing; few peers using intermediate casing with little public cost data available
- 2017 budget accounts for completion cost inflation of ~10%

Cardium Drilling Costs vs. Peers ($/m)



Cardium Completion Costs vs. Peers ($/m)



See "Endnotes"

Leading Cost Structure and Cash Generation

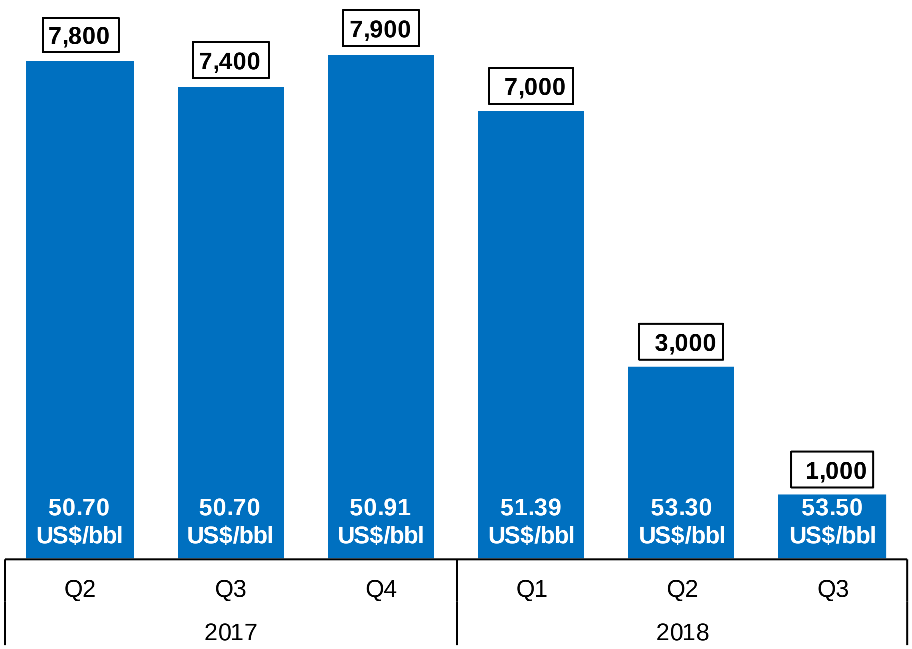
PennWest

Strong Hedge Position

- Corporate forecasting and hedging program extends six quarters
- Allows for planning and line of sight past each Spring breakup cycle
- Increases confidence for self-funded growth down to WTI prices of ~US$40 per bbl

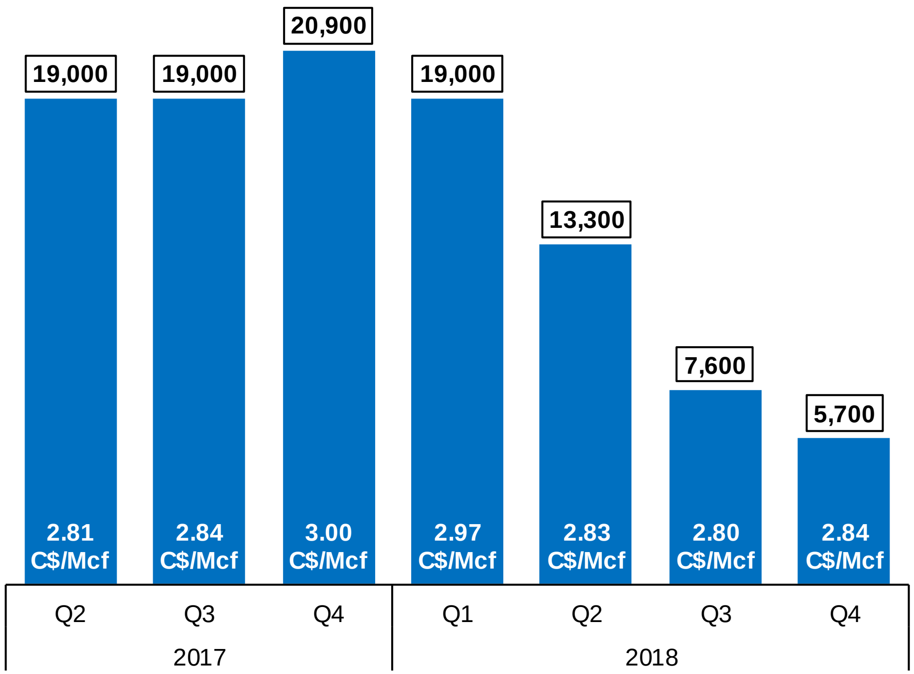
Oil Volumes Hedged (bbl/d)

~50% of Net Oil Volumes Hedged for FY 2017



Gas Volumes Hedged (Mcf/d)

~30% of Net Gas Volumes Hedged for FY 2017



See "Endnotes"

Leading Cost Structure and Cash Generation

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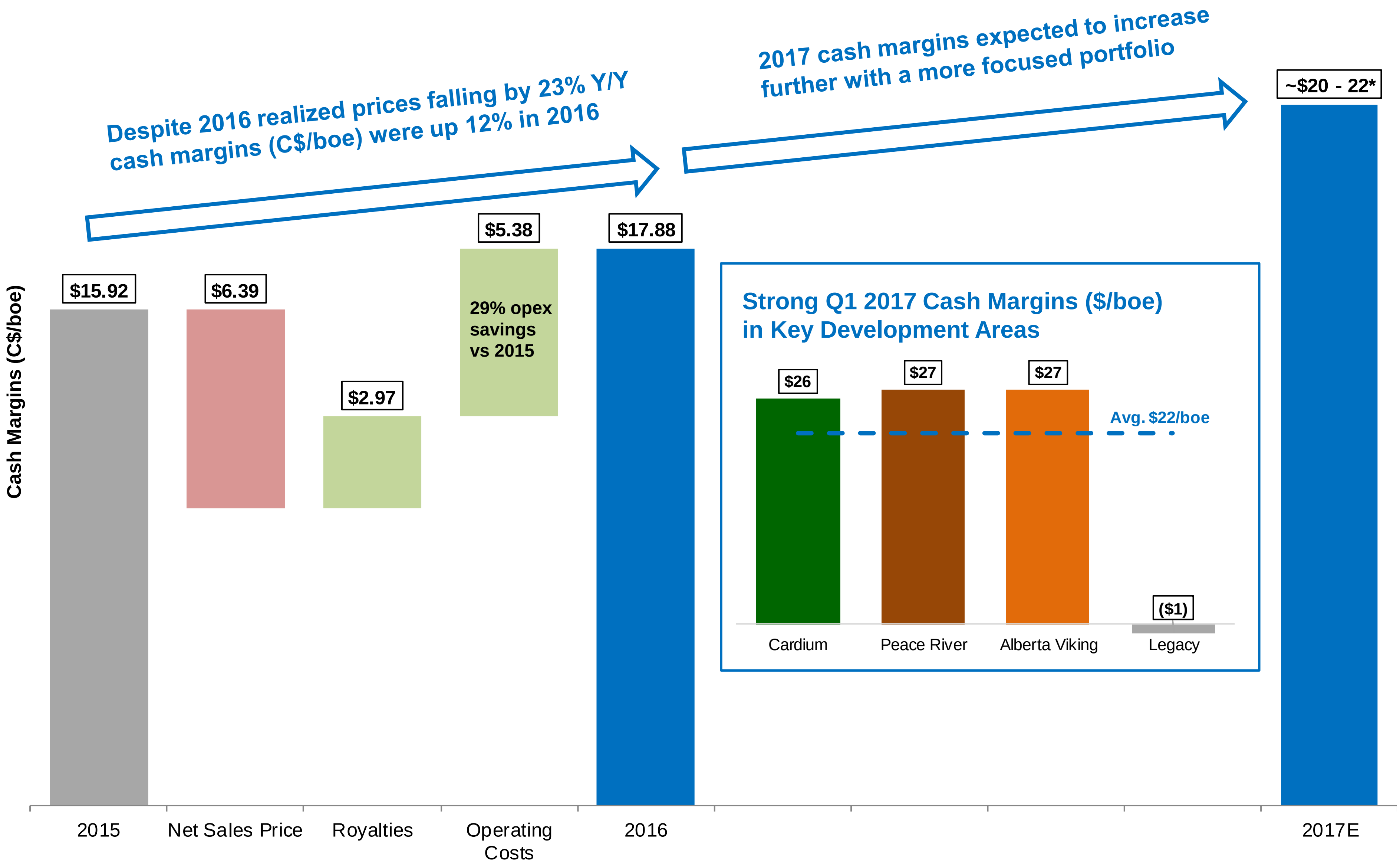
Improved Margins with a Focused Portfolio



* Based on WTI between US$50 and US$55 per bbl and AECO of C$3.30 per Mcf

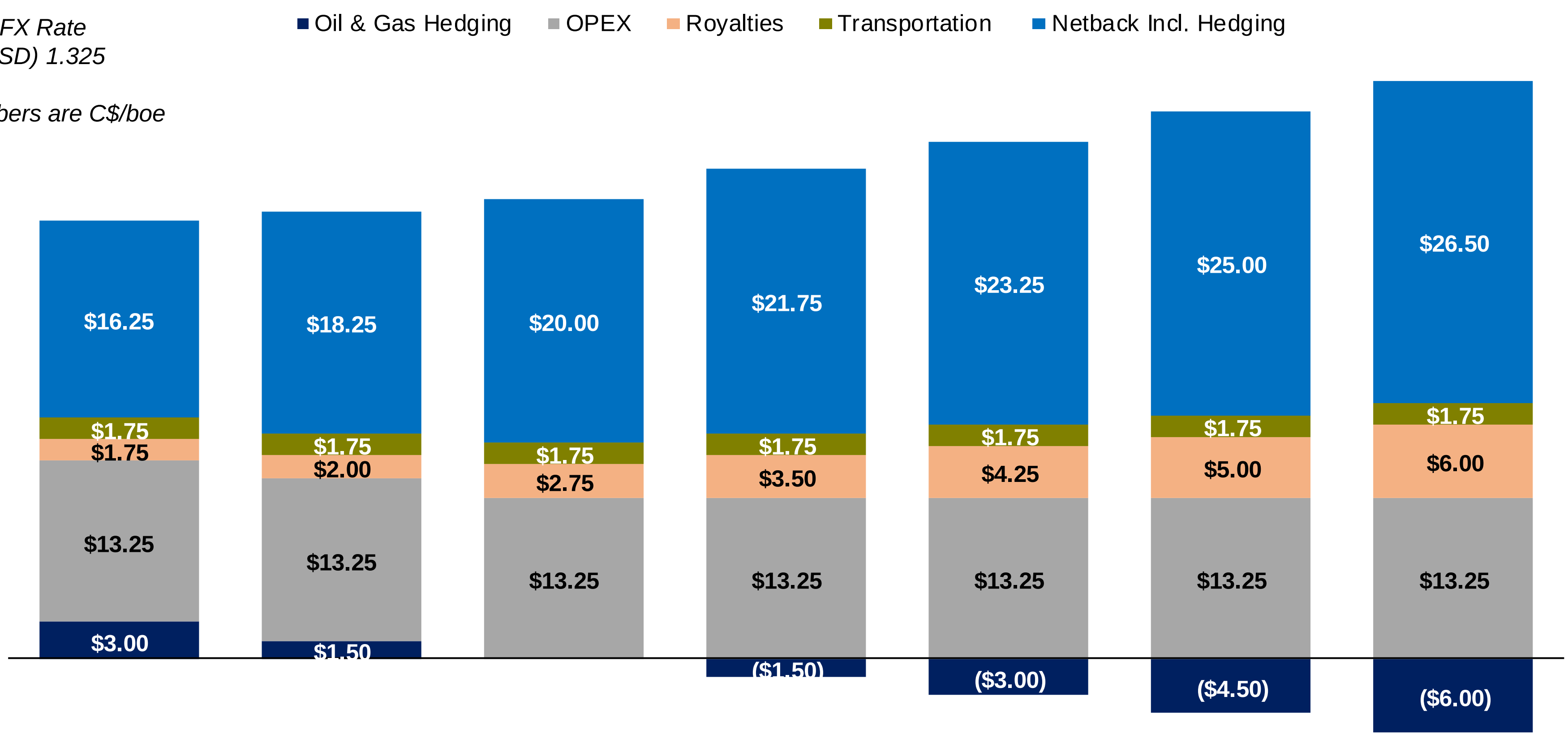
Leading Cost Structure and Cash Generation

PennWest

Margins Are An Excellent Engine for Cash

Implied FX Rate (CAD/USD) 1.325

All numbers are C$/boe



	US$40	US$45	US$50	US$55	US$60	US$65	US$70
Implied C$ Ed Par	*$48.25*	*$55.00*	*$61.50*	*$68.25*	*$74.75*	*$81.50*	*$88.00*
Implied C$ Liquids Realization	*$36.75*	*$42.75*	*$49.25*	*$55.25*	*$61.50*	*$67.50*	*$73.50*

Assumes illustrative 62% liquids and 38% natural gas production with constant ~C$3.30 AECO

Implied C$ Portfolio Realization	*$30.70*	*$33.75*	*$37.75*	*$41.50*	*$45.25*	*$49.00*	*$52.75*

See “Endnotes”

Penn West Management

David L. French

President and Chief Executive Officer

Andrew Sweerts

VP, Production & Technical Services

David Hendry

Chief Financial Officer

Mark Hodgson

VP, Business Development & Commercial

Tony Berthelet

VP, Development & Operations

Robert Wood

General Counsel

Appendix

All slides should be read in conjunction with "Definitions and Industry Terms", "Non-GAAP Measure Advisory", "Oil and Gas Disclosures Advisory" and "Forward-Looking Advisory"

Slide 3 – Penn West Corporate Profile
Share price as of close April 30, 2017. Daily Volume (shares) is the 30 day average share volume traded on Canadian and US Exchanges per Bloomberg. Market Capitalization and Enterprise Value assume shares outstanding as of April 30, 2017.

Slide 6 – Liquids-Focused Growth Company
Production metrics and netback metrics are based on operating lease statements for Q1 2017, with play boundaries defined as per internal standards. Penn West land position is as at March 31, 2016. Net Sections based on internal identified inventory. Held for Sale includes properties expected to close in the second quarter of 2017 based on definitive agreement discussions to complete transactions, and are subject to all necessary regulatory approvals and satisfaction of closing conditions customary in deals of this nature. All crude oil hedges have been entered into on a C$WTI basis. US$ price is implied using foreign exchange rates as of March 31, 2017.

Slide 8 – Illustrative Key Area Economics
Production graph and economic metrics are illustrative based on internal estimates and industry results where applicable. Economic metrics are based on oil pricing of 2017 WTI of US$53 per bbl, 2018 and future WTI of US$55 per bbl and natural gas pricing of 2017 AECO of C$2.73 per Mcf, and 2018 and future AECO of C$2.80 per Mcf.

Slide 9 – Double Digit Growth Plan
Q4 2017 production forecast is illustrative to demonstrate double digit growth from Q4 2016 to Q4 2017 and is not to be construed as guidance for the Company. Held for Sale includes properties expected to close in early 2017 based on definitive agreement discussions to complete transactions, and are subject to all necessary regulatory approvals and satisfaction of closing conditions customary in deals of this nature.

Slide 10 – Cardium Area Building Waterflood Platform
Play boundaries defined as per internal standards. Original Oil In Place (OOIP) means Discovered Petroleum Initially In Place (DPIIP) as at December 31, 2016. OOIP/DPIIP estimates and recovery rates are as at December 31, 2016, and are based on current accepted technology and have been prepared by internal geologists and reservoir engineers. DPIIP, as defined in the Canadian Oil and Gas Evaluations Handbook (COGEH), is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of DPIIP includes production, reserves and contingent resources; the remainder is unrecoverable. There is significant uncertainty regarding the ultimate recoverability and the commercial viability to produce any portion of this OOIP/DPIIP. The Company's average working interest in the Cardium is 79%.

Slide 11 – Cardium Waterflood Program
Key metrics are internal estimates and are illustrative in nature. Economic metrics are based on oil pricing of 2017 WTI of US$53 per bbl, 2018 and future WTI of US$55 per bbl and natural gas pricing of 2017 AECO of C$2.73 per Mcf, and 2018 and future AECO of C$2.80 per Mcf.

Slide 12 – Manufacture Peace River Cold Flow
Key metrics are internal estimates and are illustrative in nature. Economic metrics are based on oil pricing of 2017 WTI of US$53 per bbl, 2018 and future WTI of US$55 per bbl and natural gas pricing of 2017 AECO of C$2.73 per Mcf, and 2018 and future AECO of C$2.80 per Mcf.

Slide 13 – Leverage Infrastructure with Viking Prospects
Well production samples consist of ½ mile, ¾ mile and 1 mile wells rig released in the Esther area of Alberta from 2010 to present, normalized for a 1 mile lateral length where necessary.

Continued on next page

Endnotes

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All slides should be read in conjunction with “Definitions and Industry Terms”, “Non-GAAP Measure Advisory”, “Oil and Gas Disclosures Advisory” and “Forward-Looking Advisory”

Slide 15 - 2016 Year-end Reserves Highlights
Reserves based on estimates from Sproule & Associates Limited as of December 31, 2016. NPV refers to the before-tax, net present value, discounted at 10 percent.

Slide 16 – Major 2016 Restructuring Now Complete
Q1 2016 PF is pro-forma properties expected to close in early 2017 based on definitive agreement discussions to complete transactions, and are subject to all necessary regulatory approvals and satisfaction of closing conditions customary in deals of this nature.

Slide 17 – Strong Cardium Capital Efficiencies
Competitor data sourced from a combination of Well Completions & Frac Database from Canadian Discovery Ltd. and internal estimates since Jan 1, 2015.

Slide 18 – Strong Hedge Position
All crude oil hedges have been entered into on a C$WTI basis. US$ price is implied using foreign exchange rates as of March 31, 2017.

Slide 19 – Improved Margins with a Focused Portfolio
2017 cash margins are illustrative in nature for the reader and is not to be construed as guidance for the Company. Cash Margins in Key Development Area metrics are based on operating lease statements for Q1 2017, with play boundaries defined as per internal standards.

Slide 20 – Margins Are An Excellent Engine for Cash
NOI contribution analysis is illustrative in nature for the reader and is not to be construed as guidance for the Company. Revenue and Royalties per boe is based on internal assumptions around light oil, natural gas and field level offsets, and assumes FX rates of 1.325 CAD/USD for all cases. Does not include crude oil assignment and realized FX hedge gains/losses. Transportation expense illustratively. Natural Gas prices are held constant at ~C$3.30 AECO. Opex assumes Key Development Area operating cost run rate of $13.25 per boe, at the mid-point of guidance of $13.00 to $13.50 per boe. Hedging contribution is based on hedges outstanding as of May 3, 2017. Please note that the numbers contained in the slide have been rounded for ease of illustration.

Definitions and Industry Terms

PennWest

1P means proved reserves as per Oil and Gas Disclosures Advisory.

2P means proved plus probable reserves as per Oil and Gas Disclosures Advisory.

ARO means asset retirement obligation.

A&D means oil and natural gas property acquisitions and divestitures.

bbl means barrel or barrels.

boe and boe/d mean barrels of oil equivalent and barrels of oil equivalent per day, respectively.

CAGR means compound annual growth rate. CAGR is calculated determining an annual average rate of growth over a period of time.

Capex means Total Capital as defined below.

Capital Expenditures includes all direct costs related to our operated and non-operated development programs including drilling, completions, tie-in, development of and expansions to existing facilities and major infrastructure, optimization and EOR activities.

DCET means drilling, completions, equip and tie-in costs.

Dispositions means oil and natural gas property divestitures.

EBITDA is calculated in accordance with Penn West's lending agreements, detailed in the Non-GAAP measures advisory.

Ed Par means Edmonton Par, the Canadian light oil price based on West Texas Intermediate (WTI) crude oil, the US/Canadian foreign exchange rate, and the Net Energy Canadian Daily Index for Edmonton Sweet Oil.

Enviro means decommissioning expenditures.

EOR means Enhanced Oil Recovery.

EUR means estimated ultimate recovery.

F&D means finding and development costs.

FX means foreign exchange rate, in our case typically refers to C$ to US$ exchange rates.

FCF means Free Cash Flow, which is Funds Flow from Operations less Capital Expenditures and decommissioning expenditures.

FFO means Funds Flow from Operations, detailed in the Non-GAAP measure advisory.

G&A means general and administrative expenses.

IRR means Internal Rate of Return which is the interest rate at which the NPV equals zero.

K means thousands.

Key Development Area means Penn West's assets in the Cardium, Alberta Viking, and Peace River areas and include additional royalty volume and minor non-core production throughout Alberta, and will form the basis of our 2017 growth projections.

Liquids % means the percentage of crude oil and NGLs from the total barrels of oil equivalent of production.

Mmcf means million cubic feet.

MMboe means million barrels of oil equivalent.

MM means millions.

NAV means Net Asset Value.

Net Debt means Senior Debt plus bank debt plus non-cash working capital deficit, detailed in the Non-GAAP measure advisory.

NGL means natural gas liquids which includes hydrocarbon not marketed as natural gas (methane) or various classes of oil.

NOI refers to Net Operating Income which means revenue net or royalties less operating costs.

NPV means Net Present Value which is the sum of the present values of income and outgoing cash flows over a period of time.

Opex means operating costs.

Operated development costs is calculated as Penn West's capital spend on spuds divided by the working interest portion of estimated ultimate recoverable (EUR) volumes, where EUR is the total recoverable volume assigned before the effects of production and economics.

PDP means Developed producing reserves as per Oil and Gas Disclosures Advisory.

PDNP means Developed non-producing reserves as per Oil and Gas Disclosures Advisory.

PUD means Undeveloped reserves as per Oil and Gas Disclosures Advisory.

Senior Debt means the total of Senior Notes, bank debt and letters of credit.

Total Capital includes all direct costs related to our operated and non-operated development and base programs including DCET, facilities and major infrastructure capital, optimization, EOR, corporate and other capital.

Non-GAAP Measures Advisory

In this presentation, we refer to certain financial measures that are not determined in accordance with IFRS. These measures as presented do not have any standardized meaning prescribed by IFRS and therefore they may not be comparable with calculations of similar measures for other companies. We believe that, in conjunction with results presented in accordance with IFRS, these measures assist in providing a more complete understanding of certain aspects of our results of operations and financial performance. You are cautioned, however, that these measures should not be construed as an alternative to measures determined in accordance with IFRS as an indication of our performance. These measures include the following:

EBITDA is cash flow from operations excluding the impact of changes in non-cash working capital, decommissioning expenditures, financing expenses, realized gains and losses on foreign exchange hedges on prepayments, realized foreign exchange gains and losses on debt prepayments and restructuring expenses. EBITDA as defined by Penn West's debt agreements excludes the EBITDA contribution from assets sold in the prior 12 months and is used within Penn West's covenant calculations related to its syndicated bank facility and senior notes;

Funds Flow from Operations is cash flow from operating activities before changes in non-cash working capital and decommissioning expenditures, excluding the effects of financing related transactions from foreign exchange contracts and debt repayments/pre-payments. Funds Flow from Operations is more representative of cash related to continuing operations and is used to assess the Company's ability to fund dividend and planned capital programs. For additional information relating to Funds Flow from Operations see our latest management's discussion and analysis which is available in Canada at www.sedar.com and in the United States at www.sec.gov;

Netback is a measure of cash operating margin on an absolute or per-unit-of-production basis and is calculated as the absolute or per-unit-of-production amount of revenue less royalties, operating costs and transportation. The measure is used to assess the operational profitability of the company as well as relative profitability of individual assets. For additional information relating to netbacks, including a detailed calculation of our netbacks, see our latest management's discussion and analysis which is available in Canada at www.sedar.com and in the United States at www.sec.gov;

Net debt is the amount of long-term debt, comprised of long-term notes and bank debt, plus net working capital (surplus)/deficit. Net debt is a measure of leverage and liquidity; and

Net working capital (surplus)/deficit is accounts payable and accrued liabilities plus dividends payable less the sum of accounts receivable and other current assets. Also includes the net working capital portion of assets held for sale. We use this as a measure of net cash obligations to be settled in the near-term under the course of normal business operations.

Reserves Disclosures and Definitions

Any reference to reserves in this presentation are based on the report ("Sproule Report") prepared by Sproule Associates Limited dated February 22, 2017 where they evaluated one hundred percent of the crude oil, natural gas and natural gas liquids reserves of Penn West and the net present value of future net revenue attributable to those reserves effective as at December 31, 2016. For further information regarding the Sproule Report, see Appendix A to our Annual Information Form dated March 14, 2017 ("AIF"). It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions will be attained and variances could be material. The recovery and reserves estimates of crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquid reserves may be greater than or less than the estimates provided herein. The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Production and Reserves

The use of the word "gross" in this presentation (i) in relation to our interest in production and reserves, means our working interest (operating or non-operating) share before deduction of royalties and without including our royalty interests, (ii) in relation to wells, means the total number of wells in which we have an interest, and (iii) in relation to properties, means the total area of properties in which we have an interest. The use of the word "net" in this presentation (i) in relation to our interest in production and reserves, means our working interest (operating or non-operating) share after deduction of royalty obligations, plus our royalty interests, (ii) in relation to our interest in wells, means the number of wells obtained by aggregating our working interest in each of our gross wells, and (iii) in relation to our interest in a property, means the total area in which we have an interest multiplied by the working interest owned by us. Unless otherwise stated, production volumes and reserves estimates in this presentation are stated on a gross basis. All references to well counts are net to the Company, unless otherwise indicated.

Reserve Definitions

reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates.

probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Each of the reserves categories (proved and probable) may be divided into developed and undeveloped categories:

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable) to which they are assigned.

For additional reserve definitions, see "Notes to Reserves Data Tables" in our AIF.

Forward-Looking Information Advisory

PennWest

Certain statements contained in this presentation constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. In particular, this presentation contains, without limitation, forward-looking statements pertaining to the following: our expected approach to development including the area-specific asset development plans; the timing and our expectations of such development activities including our expectations for self-funded growth; our potential inventory increase in the Peace River area; our expected production growth rate; our capital spending plans in 2017; our expected production ranges for both full year and Q4 2017 including the expected relative weightings of liquids to gas; the effects of our integrated waterflood approach; the Original Oil in Place; expected economic results of the integrated development will yield superior economics to primary only; that our Peace Rive JV partner’s obligation to carry certain expenditures will finish by year-end; that the “post carry” economics continue to remain attractive as a result from high production rates and cost improvements; that the Alberta Viking is low risk, profitable acreage de-risked by offset competitor activity, that there will be a shorter term payout in the Alberta Viking to balance the longer term nature of Cardium waterfloods; our ability to apply the learning in the Saskatchewan Viking to the Alberta Viking development; the potential to pursue new drilling opportunities in various prospective zones; that the projected Company growth will be self-funded down to certain prices per barrel; the effect of a more focused portfolio on 2017 cash margins; and the illustrative cash consideration analysis at the Company level at different prices per barrel.

The key metrics for the Cardium, Alberta Viking and Peace River assets and the Company as a whole set forth in this presentation may be considered to be future-oriented financial information or a financial outlook for the purposes of applicable Canadian securities laws. Financial outlook and future-oriented financial information contained in this presentation are based on assumptions about future events based on management's assessment of the relevant information currently available. In particular, this presentation contains projected operational and financial information for 2017 for the Cardium, Alberta Viking and Peace River assets and Company as a whole. The future-oriented financial information and financial outlooks contained in this presentation have been approved by management as of the date of this presentation. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein.

With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things: our ability to complete asset sales and the terms and timing of any such sales; the economic returns that we anticipate realizing from expenditures made on our assets; future crude oil, natural gas liquids and natural gas prices and differentials between light, medium and heavy oil prices and Canadian, WTI and world oil and natural gas prices; future capital expenditure levels; future crude oil, natural gas liquids and natural gas production levels; drilling results; future exchange rates and interest rates; future taxes and royalties; the continued suspension of our dividend; our ability to execute our capital programs as planned without significant adverse impacts from various factors beyond our control, including weather, infrastructure access and delays in obtaining regulatory approvals and third party consents; our ability to obtain equipment in a timely manner to carry out development activities and the costs thereof; our ability to market our oil and natural gas successfully; our ability to obtain financing on acceptable terms, including our ability to renew or replace our syndicated bank facility; our ability to finance the repayment of our senior unsecured notes on maturity; and our ability to add production and reserves through our development and exploitation activities. In addition, many of the forward-looking statements contained in this document are located proximate to assumptions that are specific to those forward-looking statements, and such assumptions should be taken into account when reading such forward-looking statements. Please note that illustrative examples are not to be construed as guidance for the Company.

Although Penn West believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Penn West can give no assurances that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; the possibility that we breach one or more of the financial covenants pursuant to our amending agreements with the syndicated banks and the holders of our senior, unsecured notes; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; reliance on third parties; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Continued on next page

Forward-Looking Information Advisory (cont'd)

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Additional information on these and other factors that could affect Penn West, or its operations or financial results, are included in the Company's most recently filed Management's Discussion and Analysis (See "Forward-Looking Statements" therein)), Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), EDGAR website (www.sec.gov) or Penn West's website.

Unless otherwise specified, the forward-looking statements contained in this document speak only as of March 14, 2017. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.